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VILLE PLATTE HOUSING AUTHORITY
Ville Platte, Louisiana
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
Year Ended June 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the clerk of court, and, in addition, copies of the report are available for public use, without charge, at the Parish Courthouse, at the office of the clerk of court, at the office of the parish clerk of court.

Release Date **DEC 23 1998**

RICHARD C. URBAN
CERTIFIED PUBLIC ACCOUNTANT

T A B L E O F C O N T E N T S

<u>FINANCIAL SECTION</u>	<u>Page</u>
Independent Auditor's Report	1-2
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	4-7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General, Debt Service and Capital Project Funds	9-10
Notes to Financial Statements	11-20
Schedule of Expenditures of Federal Awards	21
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	22-23
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	24-25
 <u>SUPPLEMENTAL INFORMATION STATEMENTS AND SCHEDULES (STATUTORY BASIS)</u>	
Balance Sheet at June 30, 1998	26
Statement of Revenue and Expenditures - PHA Owned Housing - Year Ended June 30, 1998	27
Statement of Surplus - Year Ended June 30, 1998	28
Computation of Residual Receipts and Accruing Annual Contributions - PHA Owned Housing - Year Ended June 30, 1998	29
Statement of Modernization Costs - Uncompleted at June 30, 1998	30
Analysis of General Fund Cash Balance at June 30, 1998	31
Schedule of Adjusting Journal Entries	32
Status of Prior Audit Findings	33
Findings and Questioned Costs	34

FINANCIAL SECTION

RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:
1137 HEATHER DRIVE
OPELOUSAS, LOUISIANA 70570
PHONE (318) 942-2154

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Ville Platte Housing Authority
Ville Platte, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the City of Ville Platte, Louisiana as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

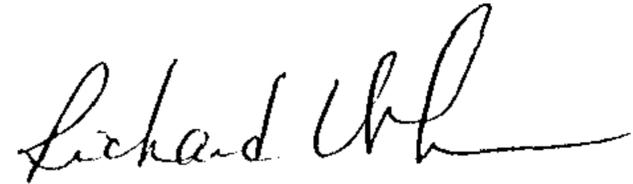
In our opinion, the general purpose financial statements referred to above, present fairly in all material respects, the financial position of the Housing Authority of the City of Ville Platte, Louisiana, as of June 30, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 1998, on our consideration of the Housing Authority of the City of Ville Platte, Louisiana internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. The accompanying supplemental information statements and schedules listed in the table of

Board of Commissioners
Ville Platte Housing Authority
Ville Platte, Louisiana
Page 2

contents were prepared in conformity with the accounting practices prescribed by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana
November 10, 1998

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

VILLE PLATTE HOUSING AUTHORITY
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1998

	Governmental Fund Types		
	General	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 114,026	\$ 3,452	\$ 121,541
Investments	72,442	---	---
Receivables (net of allow- ance for uncollectables)	17,846	76,717	---
Interfund receivable	---	---	---
Prepaid items	24,839	---	---
Land, buildings and equipment	---	---	---
Other Debits:			
Amount available in debt service funds	---	---	---
Amount to be provided for retirement of general long-term obligations	---	---	---
Total Assets	229,153	80,169	121,541
	=====	=====	=====

The accompanying notes are an integral part of this statement.

Fiduciary Fund	Account Groups		TOTALS (Memorandum Only)
Agency Fund	General Fixed Assets	General Long-term Obligations	
\$ ---	\$ ---	\$ ---	\$ 239,019
---	---	---	72,442
---	---	---	94,563
22,619	---	---	22,619
---	---	---	24,839
---	7,240,949	---	7,240,949
---	---	80,169	80,169
---	---	603,058	603,058
22,619	7,240,949	683,227	8,377,658
=====	=====	=====	=====

VILLE PLATTE HOUSING AUTHORITY
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1998

	Governmental Fund Types		
	General	Debt Service	Capital Projects
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Accounts, salaries, and other payables	\$ 23,135	\$ ---	\$ 11,088
Interfund payable	22,619	---	---
Deposits due others	---	---	---
Matured bonds and interest payable	---	76,717	---
Compensated absences payable	---	---	---
Bonds payable	---	---	---
Total Liabilities	45,754	76,717	11,088
Equity and Other Credits:			
Investment in general fixed assets	---	---	---
Fund balances:			
Reserved	---	3,452	110,453
Unreserved	183,399	---	---
Total Equity and Other Credits	183,399	3,452	110,453
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	229,153	80,169	121,541

The accompanying notes are an integral part of this statement.

Fiduciary Fund	Account Groups		TOTALS (Memorandum Only)
	General Fixed Assets	General Long-term Obligations	
Agency Fund			
\$ ----	\$ ----	\$ ----	\$ 34,223
----	----	----	22,619
22,619	----	----	22,619
----	----	----	76,717
----	----	3,600	3,600
----	----	679,627	679,627
<u>22,619</u>	<u>----</u>	<u>683,227</u>	<u>839,405</u>
----	----	----	----
----	7,240,949	----	7,240,949
----	----	----	113,905
----	----	----	183,399
<u>----</u>	<u>7,240,949</u>	<u>----</u>	<u>7,538,253</u>
22,619	7,240,949	683,227	8,377,658
=====	=====	=====	=====

VILLE PLATTE HOUSING AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1998

	Governmental Fund Types			TOTALS (Memorandum Only)
	General	Debt Service	Capital Projects	
REVENUES				
Local sources:				
Dwelling rental	\$270,739	\$ ---	\$ ---	\$270,739
Excess utilities	70,339	---	---	70,339
Interest earnings	7,417	---	---	7,417
Other	21,847	---	---	21,847
Federal sources:				
Operating subsidy	257,370	---	---	257,370
Annual Contributions Contract	---	76,717	---	76,717
Grants	---	---	205,099	205,099
Total revenues	627,712	76,717	205,099	909,528
EXPENDITURES				
Current:				
Administration	110,662	---	---	110,662
Utilities	176,211	---	---	176,211
Tenant services	12,200	---	---	12,200
Ordinary maintenance	180,526	---	---	180,526
Protective services	10,101	---	---	10,101
General expenditures	134,388	---	---	134,388
Extraordinary maintenance	2,811	---	---	2,811
Facilities acquisition and construction	16,261	---	94,646	110,907
Debt service:				
Principal retirement	---	41,683	---	41,683
Interest and bank charges	---	33,998	---	33,998
Total expenditures	643,160	75,681	94,646	813,487
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES				
	(15,448)	1,036	110,453	96,041
OTHER FINANCING SOURCES (uses)				
Prior year adj. aff. res. rec.	9,279	---	---	9,279
Prior yr. adj. not aff. res. (6,837)	---	---	(6,837)
Total other financing sources (uses)	2,442	---	---	2,442
EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES				
	(13,006)	1,036	110,453	98,483
FUND BALANCE, BEGINNING				
	196,405	2,416	---	198,821
FUND BALANCE, ENDING				
	183,399	3,452	110,453	297,304
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

VILLE PLATTE HOUSING AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL,
 DEBT SERVICE, AND CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 1998

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Local sources:			
Dwelling rental	\$ 298,350	\$ 270,739	\$(17,611)
Excess utilities	75,330	70,339	(4,991)
Interest earnings	6,840	7,417	577
Other	23,120	21,847	(1,273)
Federal sources:			
Operating subsidy	257,370	257,370	---
Annual Contributions Contract	---	---	---
Grants	---	---	---
Total revenues	<u>661,010</u>	<u>627,712</u>	<u>(33,298)</u>
EXPENDITURES			
Current:			
Administration	128,100	110,662	17,438
Utilities	185,570	176,211	9,359
Tenant services	600	12,200	(11,600)
Ordinary maintenance	188,920	180,526	8,394
Protective services	---	10,101	(10,101)
General expenditures	151,500	134,388	17,112
Extraordinary maintenance	18,500	2,811	15,689
Facilities acquisition & construction	33,480	16,261	17,219
Debt service:			
Principal retirement	---	---	---
Interest and bank charges	---	---	---
Total expenditures	<u>706,670</u>	<u>643,160</u>	<u>63,510</u>
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	<u>(45,660)</u>	<u>(15,448)</u>	<u>30,212</u>
OTHER FINANCING SOURCES (uses)			
Prior year adj. aff. res. rec.	---	9,279	9,279
Prior yr. adf. not aff. res. rec.	---	(6,837)	(6,837)
Total other financing sources (uses)	<u>---</u>	<u>2,442</u>	<u>2,442</u>
EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES	<u>(45,660)</u>	<u>(13,006)</u>	<u>32,654</u>
FUND BALANCE, BEGINNING	<u>---</u>	<u>196,405</u>	<u>196,405</u>
FUND BALANCE, ENDING	<u>(45,660)</u>	<u>183,399</u>	<u>229,059</u>

The accompanying notes are an integral part of this statement.

Debt Service Fund			Capital Projects Fund		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
----	----	----	----	----	----
----	----	----	----	----	----
----	----	----	----	----	----
76,717	76,717	----	----	----	----
----	----	----	205,099	205,099	----
<u>76,717</u>	<u>76,717</u>	<u>----</u>	<u>205,099</u>	<u>205,099</u>	<u>----</u>
----	----	----	----	----	----
----	----	----	----	----	----
----	----	----	----	----	----
----	----	----	----	----	----
----	----	----	----	----	----
----	----	----	205,099	94,646	110,453
41,683	41,683	----	----	----	----
33,998	33,998	----	----	----	----
<u>75,681</u>	<u>75,681</u>	<u>----</u>	<u>205,099</u>	<u>94,646</u>	<u>110,453</u>
1,036	1,036	----	----	110,453	110,453
----	----	----	----	----	----
----	----	----	----	----	----
1,036	1,036	----	----	110,453	110,453
----	2,416	2,416	----	----	----
1,036	3,452	2,416	----	110,453	110,453
=====	=====	=====	=====	=====	=====

VILLE PLATTE HOUSING AUTHORITY
Ville Platte, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1998

INTRODUCTION

The Ville Platte Housing Authority (authority) was created by Louisiana Revised Statute (LSA-R.S.) 40:391 to engage in the acquisition, development, and administration of a low rent housing program to provide safe, sanitary, and affordable housing to the citizens of Ville Platte, Louisiana.

The authority is administered by a five-member board appointed by the Mayor. Members of the board serve three-year terms.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the authority for the purpose of assisting the authority in financing the acquisition, construction, and leasing of housing units and to make annual contributions (subsidies) to the authority for the purpose of maintaining this low rent character.

At June 30, 1998, the authority manages 225 public housing units. In addition, the authority is currently administering one separate modernization program.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the authority is legally separate and fiscally independent, the authority is a separate governmental reporting entity, or appointment of governing body, and other general oversight responsibility.

The authority is a related organization of the City of Ville Platte, Louisiana since the mayor appoints a voting majority of the authority's governing board. The City of Ville Platte, Louisiana is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the City of Ville Platte, Louisiana. Accordingly, the authority is not a component unit of the financial reporting entity of the City of Ville Platte, Louisiana.

The authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the authority.

Certain units of local government over which the authority exercises no oversight responsibility, such as the parish police jury, school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

Fund Accounting

The authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the authority are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund

NOTES TO FINANCIAL STATEMENTS (continued)

classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds account for all or most of the authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund--the general operating fund of the authority accounts for all financial resources, except those required to be accounted for in other funds. The General Fund includes transactions of the low rent housing assistance programs.
2. Debt service funds--account for transaction relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. Debt service funds contain current year payments of principal and interest on project notes and bonds payable.
3. Capital projects funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the authority. The Tenants Security Deposits Agency Fund consists of the tenant security deposit accounts.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Operating subsidies and the annual contributions received from HUD are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred.

NOTES TO FINANCIAL STATEMENTS (continued)

Rental income, excess utilities, and other income are recorded in the month earned.

Interest earnings are recorded when time deposits mature and interest is credited to the authority's deposits.

Expenditures

Expenditures are recorded when the related fund liability is incurred. This includes expenditures for salaries and capital outlay in the general fund.

Expenditures for principle and interest on long-term obligations are recognized when due. The authority's liability for compensated absences is accounted for in the general long-term obligation account group and is recorded annually. At June 30, 1998, the liability for accumulated compensated absences was \$3,600 for the general fund.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

The authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the authority before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the authority has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

Budgets

The authority uses the following budget practices:

1. The Executive Director prepares a proposed budget and submits same to the Board Commissioners no later than thirty days prior to the beginning of each fiscal year.
2. Following discussion and acceptance of the budget by the Board, it is sent to HUD for approval.
3. Upon approval by HUD, the budget is formally adopted.
4. Any budgetary amendments require the approval of the Executive Director and Board of Commissioners.
5. Any budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTES TO FINANCIAL STATEMENTS (continued)

7. The budget comparison presented in the financial statements includes the original budget and all amendments.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts and certificates of deposit with original maturities of 90 days or less. Under state law, the authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Prepaid Items

Payments made to insurance companies for coverage that will benefit the period beyond June 30, 1998 are recorded as prepaid insurance.

Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No construction period interest costs have been incurred and capitalized for the fiscal year ended June 30, 1998. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Compensated Absences

The authority follows Civil Service guidelines pertaining to the accumulation of vacation and sick leave. This leave may be accumulated and carried over between fiscal years, with a maximum of 300 hours of payment of leave upon termination or retirement.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

NOTES TO FINANCIAL STATEMENTS (continued)

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Fund Equity

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transaction, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Total Columns on Combined Statements

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

There were no individual funds with expenditures/expenses over budgeted expenditures/expenses for the year ended June 30, 1998.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

At June 30, 1998, the authority had cash and cash equivalents and investments totaling \$311,461 as follows:

Demand deposits	\$145,622
Time deposits	93,397
Certificates of deposit (over 90 days)	<u>72,442</u>
Total	311,461 =====

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the authority has \$311,461 in deposits. These deposits are secured from risk by \$203,452 of federal deposit insurance and \$160,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the authority that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The receivables of \$ 94,563 at June 30, 1998, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Local sources:			
Tenants	\$ 11,695	\$ ---	\$ 11,695
Other	6,151	---	6,151
Federal sources:			
Accruing annual contr.	<u>---</u>	<u>76,717</u>	<u>76,717</u>
Total	18,846 =====	76,717 =====	94,563 =====

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

NOTES TO FINANCIAL STATEMENTS (continued)

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 492,264	\$ ---	\$ ---	\$ 492,264
Buildings	6,168,126	7,233	---	6,175,359
Equipment	423,618	9,028	---	432,646
Construction in progress:				
Modernization costs	46,034	94,646	---	140,680
Total	<u>7,130,042</u>	<u>110,907</u>	<u>---</u>	<u>7,240,949</u>
	=====	=====	=====	=====

NOTE 6 - RETIREMENT SYSTEMS

The authority participates in the Housing-Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through the plan, the authority provides pension benefits for all full-time employees. All eligible individuals must be employed for at least six months before participating in the plan. The authority has eight employees participating as of June 30, 1998.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan and investment earnings. Benefits of the plan are funded by employee and employer contributions. Participants in the plan are required to make a monthly contribution to 5.5 percent of their basic compensation. The authority makes a monthly contribution equal to 5.5 percent of each participant's basic compensation.

The employer contributions and earnings allocated to each participant's account are fully vested after one year of continuous service.

The authority's total payroll for the fiscal year ended June 30, 1998, was \$180,274. The authority's contributions were made based on the total covered payroll of \$180,274. The authority and the covered employees made the required contributions for the year ended June 30, 1998. The employee contributions totaled \$10,596 while the authority's contributions totaled \$9,915 for the year ended June 30, 1998.

NOTE 7 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$34,223 at June 30, 1998, are as follows:

<u>General Fund</u>	<u>Amount</u>
Payments in lieu of taxes	\$15,859
Withholdings	5,289
Accounts	1,987
 <u>Capital Projects Fund</u>	
Accounts - contractors	<u>11,088</u>
 Total	 34,223 =====

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 8 - CHANGES IN AGENCY FUND/DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at End of Year</u>
Agency fund: Tenant security deposits	\$ 22,844	\$ 3,825	\$ 4,050	\$ 22,619

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1998:

Long-term obligations at June 30, 1997	<u>Bonded Debt</u> \$ 721,310
Additions	---
Deductions	<u>(41,683)</u>
Long-term obligations at June 30, 1998	679,627 =====

All authority bonds outstanding at June 30, 1998, in the amount of \$679,627, are single issue bonds with maturities from 2006 to 2011 and interest rates from 3.625% to 5%. Bond principal and interest payable in the next fiscal year are \$45,043 and \$32,071, respectively. The individual issues are as follows:

<u>Bond Issues</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding June 30, 1998</u>
Single issue	\$ 971,514	5 %	6/1/2011	\$1,175,469	\$ 551,239
Single issue	375,000	3.625 %	6/1/2006	346,243	128,388
Total bonds	<u>1,346,514</u>			<u>1,521,712</u>	<u>679,627</u>
	=====			=====	=====

All principal and interest requirements are funded in accordance with Federal Law by the annual contributions contract from HUD. At June 30, 1998, the authority has accumulated \$3,452 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
1999	45,043	32,071	77,114
2000	48,763	28,112	76,875
2001	51,054	25,726	76,780
	<u>144,860</u>	<u>85,909</u>	<u>230,769</u>
	=====	=====	=====

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10 - INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Fiduciary fund	General fund	\$ 22,619

NOTE 11 - LITIGATION AND CLAIMS

At June 30, 1998, the authority was not involved in any lawsuits or aware of any claims against it. The authority did not retain the services of an attorney.

NOTE 12 - FEDERAL COMPLIANCE CONTINGENCIES

No questioned or disallowed costs were noted for inclusion in our report.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1998

Federal Grantor/ Program Title	CFDA No.	Grant ID No.	Grant Amount Received	Program Expenditures
U. S. Dept. of Housing and Urban Development				
Direct Programs:				
Low-Income HAP	14.850	FW-1179	\$ 334,087.00	\$ 334,087.00
Modernization:				
Program Year 1996	14.852	FW-1179	205,099.06	94,646.10
Total U.S. Dept. of Housing and Urban Development			539,186.06	428,733.10
Total federal assistance			539,186.06 =====	428,733.10 =====
Federal funds on hand at June 30, 1997			-0-	
Grant amounts received			539,186.06	
Program expenditures			(428,733.10)	
Federal funds on hand at June 30, 1998			110,452.96 =====	

- 1) The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract the Housing Authority of the City of Ville Platte, Louisiana, bonded indebtedness. This bonded indebtedness was \$ 679,627.32 at June 30, 1998.

RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:
1137 HEATHER DRIVE
OPELOUSAS, LOUISIANA 70570
PHONE (318) 942-2154

Board of Commissioners
Housing Authority of Ville Platte
Ville Platte, Louisiana

Department of Housing and
Urban Development
New Orleans, Louisiana

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the Housing Authority of the City of Ville Platte, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated November 10, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

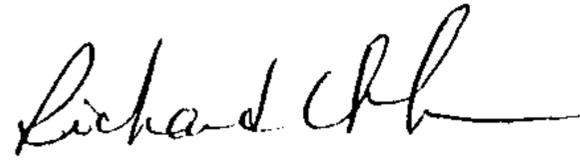
Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Ville Platte, Louisiana financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Ville Platte, Louisiana internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, appearing to read "Richard C. Urban".

RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana
November 10, 1998

RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:
1137 HEATHER DRIVE
OPELOUSAS, LOUISIANA 70570
PHONE (318) 942-2154

Board of Commissioners
Housing Authority of Ville Platte
Ville Platte, Louisiana

Department of Housing and
Urban Development
New Orleans, Louisiana

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the Housing Authority of the City of Ville Platte, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority of the City of Ville Platte, Louisiana compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of the City of Ville Platte, Louisiana compliance with those requirements.

In our opinion, the Housing Authority of the City of Ville Platte, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.



RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana
November 10, 1998

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

BALANCE SHEET
June 30, 1998

Annual Contributions Contract FW-1179

A S S E T S

Cash	\$	142,170.20
Accounts receivable		17,845.89
Debt amortization funds		80,169.43
Investments		165,839.39
Deferred charges		24,839.00
Land, structures and equipment		<u>7,240,949.46</u>
Total Assets		7,671,813.37 =====

LIABILITIES AND SURPLUS

Accounts payable		40,983.10
Accrued liabilities		15,859.00
Fixed liabilities		<u>679,627.32</u>
Total liabilities		736,469.42
Surplus		<u>6,935,343.95</u>
Total liabilities and surplus		7,671,813.37 =====

See notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

STATEMENT OF REVENUE AND EXPENDITURES - PHA OWNED HOUSING
Year Ended June 30, 1998

Annual Contributions Contract FW-1179

OPERATING INCOME

Dwelling rental	\$	270,739.25
Excess utilities		70,339.35
		341,078.60
Interest on general fund investments		7,416.54
Other income		21,847.43
		370,342.57

OPERATING EXPENDITURES

Administration		110,661.73
Tenant Services		12,200.05
Utilities		176,210.88
Ordinary maintenance and operation		180,525.54
Protective services		10,101.14
Extraordinary maintenance		2,881.11
General expenses		134,387.97
		626,968.42
Net operating loss	(256,625.85)

OTHER CHARGES (CREDITS)

Prior year adj. aff. residual receipts	(9,278.72)
Prior year adj. not aff. residual receipts		6,778.39
Interest on bonds		33,988.00
		31,487.67
Net loss	(288,113.52)
		288,113.52

See notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
 Ville Platte, Louisiana

STATEMENT OF SURPLUS
 Year Ended June 30, 1998

Annual Contributions Contract FW-1179

UNRESERVED SURPLUS

Balance per audit at June 30, 1997	\$(5,611,692.15)
Net loss at June 30, 1998	(288,113.52)
Reduction of operating reserve, June 30, 1998	<u>5,723.37</u>
Balance at June 30, 1998	(5,894,082.30) =====

RESERVED SURPLUS - OPERATING RESERVE

Balance per audit at June 30, 1997	164,415.26
Reduction of operating reserve, June 30, 1998	<u>(5,723.37)</u>
Balance at June 30, 1998	158,691.89 =====

CUMULATIVE HUD CONTRIBUTIONS

Balance per audit at June 30, 1997	12,131,548.30
Accruing annual contribution, June 30, 1998	76,717.00
Operating subsidy, June 30, 1998	257,370.00
Comprehensive Grant Program funds - fiscal year ended June 30, 1998	<u>205,099.06</u>
Balance at June 30, 1998	12,670,734.36 =====

TOTAL SURPLUS	6,935,343.95 =====
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See notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
 Ville Platte, Louisiana

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING
 ANNUAL CONTRIBUTIONS - PHA OWNED HOUSING
 Year Ended June 30, 1998

Annual Contributions Contract FW-1179

COMPUTATION OF RESIDUAL RECEIPTS

Operating Receipts

Operating income	\$	370,342.57
Prior year adjustments affecting residual receipts		9,278.72
HUD operating subsidy		<u>257,370.00</u>
Total operating receipts		636,991.29

Operating Expenditures

Operating expenditures	626,968.42
Property betterment and additions	7,233.44
Replacement of non-expendable equipment	<u>9,027.80</u>
Total operating expenditures	<u>643,229.66</u>

Residual receipts (deficit) per audit	(6,238.37)
Audit adjustments added back	<u>515.00</u>
	(5,723.37)
Reduction of operating reserve	<u>5,723.37</u>
Residual receipts (deficit)	-0-
	=====

COMPUTATION OF ACCRUING CONTRIBUTION

Fixed Annual Contribution	<u>76,717.00</u>
Accruing Annual Contribution	76,717.00
	=====

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

STATEMENT OF MODERNIZATION COSTS -
UNCOMPLETED AT JUNE 30, 1998

Annual Contributions Contract FW-1179

COMPREHENSIVE GRANT PROGRAM LA 48 P030 91196

Funds approved	\$ <u>724,200.00</u>
Funds advanced	247,730.08
Funds expended	<u>140,680.26</u>
Excess of funds advanced over funds expended	107,049.82 =====

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

ANALYSIS OF GENERAL FUND CASH BALANCE
AT JUNE 30, 1998

Annual Contributions Contract FW-1179

COMPUTATION BEFORE ADJUSTMENTS

Net operating receipts retained:

Operating reserve	\$ 158,692.00
Tenant security deposits	22,619.00
Excess modernization funds	107,049.82
Audit adjustments affecting general fund cash	<u>28,110.56</u>
	316,471.38

ADJUSTMENTS

Expenses/costs not paid:

Accounts payable	18,364.10
Accrued PILOT	15,859.00

Income not received:

Accounts receivable	(<u>17,845.89</u>)
---------------------	----------------------

General fund cash available	332,848.59
-----------------------------	------------

OTHER APPLICATIONS OF GENERAL FUND CASH

Deferred charges	(24,839.00)
Investments	(<u>165,839.39</u>)
	(<u>190,678.39</u>)

GENERAL FUND CASH	142,170.20 =====
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HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

SCHEDULE OF ADJUSTING JOURNAL ENTRIES
June 30, 1998

Acct. No. for Audit Purposes	Description	Debit	Credit	Acct.No. for PHA Books
4620.0	(1) Casualty losses	1,660.21		6010.0
4430.0	Maint. - contract costs		1,660.21	6010.0
	To properly classify final activity for repairs made and insurance proceeds received for fire-damaged units.			
4510.0	(2) Prepaid insurance	1,472.00		1211.0
4510.0	Insurance expense		1,472.00	6010.0
4420.0	Maintenance materials	1,987.00		6010.0
2111.0	Accounts payable		1,987.02	2111.0
	To adjust prepaid insurance and accounts payable to actual.			
2810.0	(7) Unreserved surplus	29,619.61		N/A
6020.0	Prior yr. adj. not aff. res. rec.		29,619.61	N/A
	To adjust for audit purposes prior year's book adjustments.			

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

The previous audit contained only general comments concerning delinquent accounts receivable and the fact that the PHA was carrying approximately \$10,000 in past due receivables from current and former tenants. We suggested that the PHA work harder to reduce its delinquent accounts and to improve its collection of receivables from departed tenants. Through write-offs and tougher collection policies the PHA has significantly reduced its past due accounts. This finding is closed.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana
FINDINGS AND QUESTIONED COSTS

The following have been identified as major federal programs for the year ended June 30, 1998.

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Program Expenditures</u>
U.S. Department of Housing and Urban Development:			
Low-income HAP	14.850	FW-1179	\$ 334,087

No findings were noted with this audit. Management and staff appear to be performing their duties in a competent, professional manner.